

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

**COMMAND AUDIT OF
SANTA ANA AREA**



FINAL REPORT

SEPTEMBER 27, 2010

M e m o r a n d u m

Date: September 27, 2010

To: Office of the Commissioner
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Office of Inspector General

File No.: 010.13424.A13471

Subject: FINAL 2009 COMMAND AUDIT REPORT OF SANTA ANA AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887(a)(2), and the California Highway Patrol Audit Charter, I am issuing the 2009 Command Audit Report of the Santa Ana Area. The audit focused on the command's Driving Under the Influence and Asset Forfeiture Programs.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The Santa Ana Area agreed with all of the findings and plans to take corrective action to improve its operations.

Santa Ana Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. The Office of Inspector General anticipates conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887(a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Assistant Commissioner, Field; Office of Inspector General; Office of Legal Affairs; Border Division; and the Santa Ana Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

In accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted

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on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspector General would like to thank management and staff of the Santa Ana Area for their cooperation during the audit. If you need further information, please contact Captain Bob Jones at (916) 843-3160.


E. SANCHEZ, Captain
Interim Inspector General

cc: Assistant Commissioner, Field
Border Division
Santa Ana Area
Office of Legal Affairs
Office of Inspector General, Audits Unit

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

COMMAND AUDIT OF SANTA ANA AREA

OFFICE OF INSPECTOR GENERAL, AUDITS UNIT

SEPTEMBER 27, 2010

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EXECUTIVE SUMMARY

The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the 2009 Audit Plan of the California Highway Patrol (CHP), the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the Santa Ana Area.

The 2008-2010 Strategic Plan of the CHP highlights the mission statement which includes five broad strategic goals designed to guide the direction of the CHP. One strategic goal is to continuously look for ways to improve the efficiency of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs. Additionally, this audit will provide managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit period was from January 1, 2008 through September 30, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period February 1, 2009 through September 30, 2009. The audit included a review of existing policies and procedures, as well as examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from October 5 - 9, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of operations in the Santa Ana Area, this audit revealed the Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

DUI Cost Recovery Program

- The CHP 415, Daily Field Record, forms did not record the offender's name and court case number, and did not record the number of billable staff hours in the Notes portion of the form.

Asset Forfeiture (AF) Program

- The AF Coordinator (AFC) was not trained annually by the Division AFC.
- The command did not always document annual AF training to affected personnel.
- The command did not always submit quarterly open AF case status report to the Division AFC in a timely manner.
- The command did not always submit AF case file reports to the Division AFC in a timely manner.

Please refer to the Findings and Recommendations section for detailed information.

AUDIT REPORT

INTRODUCTION

To ensure the operation of the California Highway Patrol (CHP) is efficient and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the Santa Ana Area.

The 2008-2010 Strategic Plan of the CHP highlights the mission statement which includes five broad strategic goals designed to guide the direction of the CHP. One strategic goal is to continuously look for ways to improve the efficiency of departmental operations. This audit will assist the CHP in meeting this goal.

OBJECTIVE AND SCOPE

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was from January 1, 2008 through September 30, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period February 1, 2009 through September 30, 2009. This audit included a review of existing policies and procedures, as well as examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from October 5 - 9, 2009.

METHODOLOGY

Under the direction of the Office of the Commissioner, each command was randomly selected to be audited in the area of DUI Cost Recovery and Asset Forfeiture Programs. Sample selection of areas to be audited were primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports and findings of this command.

OVERVIEW

DUI Cost Recovery Program:

The command complied with most state laws and departmental policies and has adequate internal controls for the DUI Cost Recovery Program. However, the CHP 415, Daily Field Record, forms did not record the offender's name and court case number, and did not record the number of billable staff hours in the Notes portion of the form.

Asset Forfeiture (AF) Program:

The command complied with most state laws and departmental policies and has adequate internal controls for the AF Program. However, the AF Coordinator (AFC) was not trained annually by the Division AFC; did not always document annual AF training to affected personnel; did not always submit quarterly open AF case status report to the Division AFC in a timely manner; and did not always submit AF case file reports to the Division AFC in a timely manner.

This audit revealed the command has adequate operations, nevertheless, issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain compliance with appropriate laws, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations that may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; however, an audit may not always detect these limitations.

FINDINGS AND RECOMMENDATIONS

DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM

FINDING 1: **The CHP 415, Daily Field Record, forms did not record the offender's name and court case number, and did not record the number of billable staff hours in the Notes portion of the form.**

Condition: Based on the review of 49 DUI Cost Recovery cases files, all (100 percent) of the CHP 415, Daily Field Record, forms reviewed did not record the offender's name and court case number, and did not record the number of billable staff hours in the Notes portion of the form as required by policy.

Criteria: Government Code Section 13403(a)(3), (4), and (6) articulates the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; and established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

Highway Patrol Manual (HPM) 11.1, Administrative Procedures Manual, Chapter 20, Driving Under The Influence (DUI) Cost Recovery Program, paragraph 4.e.(2)(c) states,

“e. Recording Total Staff Hours. Record the total number of staff hours involved in the incident response.”

“(2) Record the number of staff hours involved in the incident response.”

“(c) The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area offices must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs. In order to reconcile the hours, please ensure the following information is included:

1 Offender's name and court case number shall be included on the CHP 415, Daily Field Record.

2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time) on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record.”

Recommendation: The command should comply with departmental policy by recording the offender’s name and court case number, and record the number of billable staff hours in the Notes portion of the CHP 415 forms used to support DUI Cost Recovery billings.

ASSET FORFEITURE (AF) PROGRAM

FINDING 1: **The AF Coordinator (AFC) was not trained annually by the Division AFC.**

Condition: There was no documented evidence the AFC was trained by the Division AFC in 2008 and 2009.

Criteria: HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 21.a. states,

“a. In order to ensure uniformity throughout the Department, Division AFCs shall receive annual training from the departmental AFC coordinator in FSS. The training will encompass asset forfeiture laws, pending state and/or federal legislation relating to asset forfeiture, departmental policies, and procedures. Division AFCs will in turn provide annual training to Area AFCs, uniformed employees assigned to NTFs, canine handlers, and affected non-uniformed employees involved with asset forfeiture. The training shall be of sufficient duration to ensure full understanding of legal/policy requirements. In addition, Division AFCs should attend Division Area Commanders’ Conferences as necessary to provide commanders with an overview of the Department’s AFP and any related new legislation or updates to departmental policy.”

Recommendation: The AFC should receive annual AF training from the Division AFC as required by departmental policy.

FINDING 2: **The command did not always document annual AF training to affected personnel.**

Condition: There was no documentation the AFC provided annual training to supervisors, officers, and affected non-uniform personnel in the command.

Criteria: Health and Safety Code Section 11469 states, “Seizing agencies shall implement training for officers assigned to forfeiture programs, which training should be ongoing.”

HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program paragraph 21.b. states,

“b. Area AFCs shall provide training for Area supervisors, officers, and affected non-uniformed personnel at least once a year. Area AFCs shall ensure officers are made aware of local MOUs with allied agencies/NTFs regarding turnover of arrests for controlled substance violations and are familiar with the legal requirements and departmental policies/procedures related to the seizure of assets.”

Recommendation: The AFC should document annual AF training provided to the supervisors, officers, and affected non-uniformed personnel in the command to comply with departmental policy.

FINDING 3: **The command did not always submit quarterly open AF case status report to the Division AFC in a timely manner.**

Condition: The command's first and second quarterly open AF case status reports of 2008 were not submitted to the Division AFC. The third status report was provided 30 days late on November 29, 2008, to the Division AFC. In addition, as of October 9, 2009 (end of the audit field work), the first and second quarterly open AF case status reports of 2009 had not been submitted to the Division AFC.

Criteria: HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 18.c. states,

“c. Area AFCs shall prepare a report detailing the status of their open asset forfeiture cases, and the report should be forwarded to their Division AFC by 30th of the month following the end of the quarter. Area AFCs may report case status via memorandum summarizing the status of open asset forfeiture cases (Annex 2-V-1 and 2-V-2), or may report case status directly on the printout of open asset forfeiture cases, at the discretion of the Division AFC. A copy of the case status reporting document shall be filed with each referenced asset forfeiture case for audit purposes.”

Recommendation: In accordance with departmental policy, the command should forward the quarterly open AF case status report to the Division AFC by the 30th of the month following the end of the quarter.

FINDING 4: **The command did not always submit AF case file reports to the Division AFC in a timely manner.**

Condition: Based on the review of 17 AF cases, two cases (11 percent) were forwarded to the Division AFC late. Case number F-250-675-08 was forwarded seven months late and case number F-029675-09 was submitted four months late.

Criteria: HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 9.b.(7) states,

“(7) Establish a case file for each asset forfeiture arrest/incident. Forward all reports and related documents to FSS through the Division AFC within 20 days from the date of the seizure/incident. The Department’s assigned asset forfeiture case number shall be printed on the face page of all documents in the top right corner.”

HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 16. states,

“16. ASSET FORFEITURE CASE FILE REPORTS/FORMS. The Area AFC shall forward two copies of the asset forfeiture case file to Division AFC within 20 days of the seizure/incident. The Division AFC will forward a copy to the FSS AFC as soon as possible thereafter. Any documents or materials that are not ready to be sent to the Division AFC with the initial report shall be forwarded to the Division AFC upon their completion or when received by the Area AFC. The Division AFC will then forward the information to the FSS AFC.”

Recommendation: The command should submit AF case file reports to the Division AFC in a timely manner to comply with departmental policy.

CONCLUSION

Based on the review of the operation of the Santa Ana Area, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

ANNEX

A

Memorandum

Date: September 8, 2010

To: Office of Inspections

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Border Division

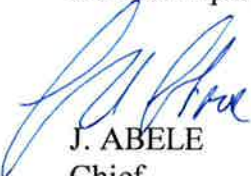
File No.: 601.10130.16472

Subject: SANTA ANA AREA'S RESPONSE TO 2009 COMMAND AUDIT – DUI
COST RECOVERY & ASSET FORFEITURE

Attached is Santa Ana Area's response to the 2009 Command Audit – DUI Cost Recovery & Asset Forfeiture Inspection recently conducted by personnel from your office.

The Area commander has closely reviewed the findings and recommendations contained within the final report and concurs with the evaluator's findings.

I concur with the commander's actions in this matter and am satisfied identified deficiencies have been properly addressed.


J. ABELE
Chief

Attachment

cc: Santa Ana Area



Safety, Service, and Security

ANNEX

B

M e m o r a n d u m

Date: August 20, 2010

To: Border Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Santa Ana Area

File No.: 530.13314.13317

Subject: SANTA ANA AREA RESPONSE TO 2009 COMMAND AUDIT

This memorandum has been prepared in response to the findings of a Command Audit conducted on the Santa Ana Area October 5 to October 9, 2009. The audit identified a total of five issues associated with two Area programs: the DUI Cost Recovery Program, and the Asset Forfeiture (AF) Program.

With regard to the DUI Cost Recovery Program, the audit determined:

- The command's CHP 415, Daily Field Record, forms did not record the offender's name and court case number, and did not record the number of billable staff hours in the Notes portion of the form.

Area personnel have been directed to include the offender's name as part of the line entry on Side 2 of the CHP 415 – Daily Field Record. Billable staff hours will be included in the Notes portion of the form for all involved employees. Due to the need to submit CHP 415's in a timely manner, it will not be feasible to include court case numbers. Instead, misdemeanor numbers will be included from the Area Information System (AIS).

With regard to the Asset Forfeiture Program, the audit determined:

- The command's AF Coordinator (AFC) was not trained annually by the Division AFC.
- The command did not always document annual AF training to affected personnel.
- The command did not always submit its quarterly open AF case status report to the Division AFC in a timely manner.
- The command did not always submit AF case file reports to the Division AFC in a timely manner.

The Area AFC will attend all annual training sessions conducted by the Division AFC. The training supervisor will ensure all training provided to Area personnel regarding the Asset Forfeiture Program is recorded in the Employee Training Records System (ETRS).

Safety, Service, and Security

Since the command audit was conducted, the Area has submitted its open AF case status report by the 30th of the month following the end of the quarter, as required by policy. The Special Duty supervisor has been directed to monitor the Area AFC to ensure timely submission of required documents is adhered to.

Since the command audit was conducted, the Area has taken steps to ensure its case file reports are submitted to the Division AFC within 20 days of the seizure/incident. The Special Duty supervisor has been directed to monitor the Area AFC to ensure the timely submission of these case file reports is adhered to.

Should you have any questions or concerns regarding the steps the Santa Ana Area has taken to ensure compliance with all recommendations made by the Command Audit, please contact Lieutenant Ed Hofer at (714) 567-6000. Upon your approval, please forwarded to the Office of the Inspector General.



S. A. SECHRIST, Captain
Commander